FLORIDA STATE UNIVERSITY

CONSUMER COMPLAINT RESOLUTION PROCESSES IN FLORIDA:
An Analysis of Options to Strengthen Current Processes

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BY
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December 7, 2006

Mr. Michael A. Salario  
Assistant Deputy Commissioner  
Department of Agriculture & Consumer Services  
The Capitol, LL-29  
Tallahassee, Florida 32399-0800

Dear Mr. Salario:

I have the honor to submit to you Consumer Complaint Resolution Processes in Florida: An Analysis of Options to Strengthen Current Processes. The report is the product of extensive research and analysis conducted during the fall months of 2006. Consumer Complaint Resolution Processes are important because they ensure consumers that a fair and impartial review of each complaint will be conducted in order to establish whether reasonable cause exists for determining that an unlawful practice has occurred.

The size and scope of Florida’s government presents a challenge to consumers in determining which agency to turn to for assistance in resolving complaints against businesses or professionals. This dilemma often leads to complaints being filed with agencies that do not have regulatory authority to address them. Although misfiled complaints should be referred to the Department of Agriculture and Consumer Services’ consumer complaint clearinghouse, studies show that this is not the case, increasing the possibility that some complaints could be misdirected or more importantly, remain unaddressed.

After examining several options capable of enhancing current processes, my recommendation is that Florida should concentrate on marketing the consumer complaint clearinghouse through outreach and education. This policy alternative was recommended based on the use of three evaluative criteria: functionality, adaptability, and effectiveness. Marketing the consumer complaint clearinghouse received a positive rating for functionality because, while directly educating consumers, outreach activities to other state agencies have the ability to strengthen complaint referral processes. Marketing also scored well on adaptability since the Department of Agriculture and Consumer Services has statutory authority to market available consumer protection services with considerable financial ease. Effectiveness for Marketing was also rated positive because this option has the ability to increase coordination activities between other state agencies, facilitate the exchange of complaint information, and enhance referral processes.
Although the benefits of marketing the consumer complaint clearinghouse may not be immediately realized, it is the most viable policy option for enhancing current consumer complaint resolution processes. The other three options would face legislative hurdles or political challenges that could weaken their ability to have a positive impact on strengthening current consumer complaint resolution processes.

This recommendation has the potential to connect resources together and enhance opportunities to provide a higher level of quality service. More importantly, it is a both a preventative and proactive approach in that it reaches out to other consumer protection agencies to provide training and education so that complaints are properly transferred for appropriate handling, while at the same time actively seeking to educate the public on available consumer protection services before they actually need them. Marketing the consumer complaint clearinghouse will enhance Florida’s consumer complaint resolution processes.

Respectfully,

Karen M. Miller
Administrative Assistant
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EXEcutive summary

Consumer protection agencies carry out a unique function. Their expertise and consumer-oriented focus allows them to disseminate information to better inform the public, and to monitor and investigate complaints in order to track particular issues. In Florida, consumer complaints fall into two categories: regulated and non-regulated, and regulatory authority to resolve complaints is dispersed throughout several of the State’s 29 agencies. Unfortunately, because of the size and scope of Florida’s government, consumers are not always able to determine where to turn for assistance. Additionally, since consumer protection agencies do not regularly coordinate service activities, overlap and duplication occurs. Further, this lack of inter-agency coordination makes it difficult for policymakers to compile statewide data to establish complaint trends and conditions and determine areas in need of improvement.

Information for this report was collected using three methods. First, academic literature, reports on consumer complaint resolution processes, and studies on best management practices for designing and implementing consumer complaint resolution programs, were analyzed to provide background information on policy development and implementation. In addition, they provided insight into technical and procedural elements essential for developing, maintaining, and improving consumer complaint resolution processes. Second, applicable laws, rules, and policies were reviewed to determine statutory requirements and provide historical information on consumer complaint resolution processes and inter-agency coordination. Third, key staff members from the Office of the Attorney General, the Department of Financial Services, the Department of Agriculture and Consumer Services, the Office of Program Policy Analysis and Government Accountability, and the Public Service Commission were contacted to provide
insight into the functionality, adaptability, and effectiveness of alternatives to enhance consumer complaint resolution processes.

This report presents four policy options to enhance Florida’s consumer complaint resolution processes: Memorandum of Understanding, a Centralized Database, Codification of the Consumer Complaint Roundtable, and Marketing the Consumer Complaint Clearinghouse. Each option is evaluated against three criteria: functionality, adaptability, and effectiveness.

Based on assessment of the alternatives using the evaluative criteria, Marketing the Consumer Complaint Clearinghouse is recommended. Marketing the Consumer Complaint Clearinghouse using Public Service Announcements is the most viable policy to place consumer service information directly into the hands of consumers. Further, outreach to other state agencies and private organizations would establish channels of communications that could facilitate the exchange of information necessary to improve complaint referral processes, establish trends and conditions, and recognize areas in need of improvement. While realization of the benefits for this option may not be immediately recognized, it is the most promising because it is not dependent on cooperation from other consumer protection agencies or susceptible to political changes.
I. PROBLEM STATEMENT

In Florida, government offers a wide variety of programs and services, including regulating certain businesses and professions and providing information and resources for consumers. By default, handling consumer complaints is an inherent responsibility of regulatory agencies. In fact, in fiscal year 2004-05, government agencies in Florida reported handling over 200,000 consumer complaints (Report No. 06-51, Office of Program Policy Analysis and Government Accountability [OPPAGA], June 2006, p. 2). Thus, a basic outreach of all state agencies is to provide information to help consumers make informed decisions (such as licensure status and number of complaints filed against a business or professional) and ensure a level of consumer protection. In turn, the services provided establish output indicators useful in analyzing the effectiveness of the program.

Currently, 17 of Florida’s 29 state agencies receive consumer complaints, and each has developed mechanisms to help consumers resolve these complaints (Report No. 06-51, OPPAGA, June 2006, p. 2). Additionally, each agency has regulatory authority over specific businesses and professions. Consequently, complaints against regulated entities filed with the appropriate agency are entered into that agency’s complaint tracking system, investigated for sustenance and resolved as appropriate. However, a recent review by OPPAGA indicates consumers, businesses, and professionals are often confused and do not always understand the division of responsibility within state agencies (Report No. 06-51, June 2006, p. 2).

The Florida Department of Agriculture and Consumer Services (DOACS), in addition to regulating specific industries, serves as a consumer complaint clearinghouse. The express designation for the consumer complaint clearinghouse exists in Section 570.544, Florida
Statutes, which states that the Division of Consumer Services (DCS): “shall serves as a clearinghouse for matters relating to consumer protection, consumer information, and consumer services generally…” (2005, p. 538). In effect, the clearinghouse establishes a venue for consumers to file complaints against entities not regulated by government agencies. It further provides a centralized location whereby regulated complaints filed in the wrong agency can be transferred, documented, and then forwarded to the appropriate authority. However, OPPAGA reports, “consumers generally are not aware that DCS serves as a clearinghouse for consumer services and complaints” (Report No. 06-51, June 2006, p. 2). Additionally, OPPAGA finds, “agencies do not fully use the clearinghouse feature of the DCS to refer consumers to the agency with the authority to handle complaints” (Report No. 06-51, June 2006, p. 6). In fact, many state agencies “bypass the clearinghouse and refer consumers directly to an agency they believe has the authority to handle a complaint, which could lead to incorrect referrals” (Report No. 06-51, June 2006, p. 6).

Services available for resolving consumer complaints are inherently complicated because regulatory authority is fragmented across several agencies. In addition to previously mentioned deficiencies, the division of responsibility dispersed across several agencies is not conducive to gathering comprehensive, statewide information about consumer complaints. Without such data, it is difficult for policymakers to evaluate the quality of services, identify areas in need of improvement, and make informed decisions about program resources and priorities. Because of this, the Legislature is unable to ensure that state government is responsive to consumers.

Florida’s processes for resolving consumer complaints needs to be improved and there are numerous alternatives available to enhance current processes. This report will examine policy options that look to be the most promising for improving complaint referral process and inter-agency
coordination of consumer protection activities, while exploring alternative mechanisms for capturing comprehensive information about agencies’ complaint-related activities. This will include a review of legislation, agencies’ consumer complaint resolution processes, and studies on consumer complaint resolution processes to determine best practices. It will also include evaluative criteria to determine which alternatives are most likely to improve Florida’s consumer complaint resolution processes.
II. BACKGROUND AND LITERATURE REVIEW

Background

This section examines Florida’s consumer complaint clearinghouse legislation, the division of responsibility among state agencies, and inter-agency coordination among consumer protection agencies.

The Florida Legislature enacted a bill designating DCS as a consumer complaint clearinghouse in 1967. Specific legislation states that “DCS shall receive complaints and grievances from consumers and promptly transmit them to the agency most directly concerned in order that the complaint or grievance may be expeditiously handled in the best interests of the complaining consumer” (Florida Statutes, 2005, p. 538). It further directs that “any agency, office, bureau, division, or board of state government receiving a complaint which deals with consumer fraud or consumer protection and which is not within the jurisdiction of the receiving agency, office, bureau, division, or board originally receiving it, shall immediately refer the complaint to DCS” (Florida Statutes, 2005, p. 538). DCS must then determine which governmental body has jurisdiction and immediately refer the complaint to the appropriate agency having regulatory or enforcement authority to handle it.

The most notable change to this directive occurred in January 2003, when government agencies participated in exercises designed to reduce government spending. One of the program areas reviewed in DOACS was DCS. Specifically, DOACS and legislative staff looked closely at resources and costs directly associated with operating the consumer complaint clearinghouse. When the 2003-04 General Appropriations Act was implemented, funding as well as positions for DCS to perform services as a consumer complaint clearinghouse were not provided, although
the legislative language designating DCS as the consumer complaint clearinghouse remained intact in *Chapter 570, Florida Statutes*. The result of the Legislature’s failure to fund the clearinghouse left consumers alleging disputes with businesses or professionals not regulated by government agencies with nowhere to turn for assistance. It also created confusion among governmental offices, particularly for legislators who often forwarded constituent complaints to DCS for handling. Subsequently, the following January, legislators, some of whom had continued referring non-regulated complaints to DCS during fiscal year 2003-04, recognized the important role DCS plays in mediating complaints between consumers and non-regulated businesses and professionals. As a result, they reestablished the DCS clearinghouse designation in the 2004-05 general appropriations act, approving adequate funding and staffing.

Unfortunately, as noted by OPPAGA, “there is no mechanism to ensure that other agencies appropriately refer complaints to DCS when they receive complaints they do not have the authority to handle” (Report No. 06-51, 2006, p. 6). Further, with the removal of the clearinghouse legislation and subsequent reenactment the following year, *Report No. 06-51* (2006) indicates that not all consumer protection managers were “aware that the Legislature had re-designated DCS as a clearinghouse for consumer complaint services” (p. 6).

A more recent amendment to the clearinghouse legislation occurred in January 2006, at which time the Legislature removed language that required DCS to receive reports from offices or agencies to which they refer consumer complaints. Essentially, this change eliminates an inter-agency coordination mechanism for compiling statewide data, and a legislative tool for ensuring that government is responsive to consumers.

The second area that must be examined is the division of responsibility among state agencies. *Report No. 06-51* (2006) indicates that “17 of Florida’s 29 state agencies reported that
they received consumer complaints in Fiscal Year 2004-05” (p. 2). In fact, the report lists the top five agencies receiving complaints as DOACS, the Department of Financial Services (DFS), the Department of Business and Professional Regulation (DBPR), the Office of the Attorney General (AG), and the Public Service Commission (PSC) (Report No. 06-51, 2006, p. 3). For consumers familiar with the jurisdiction of state agencies, direct contact can easily be made with the agency having regulatory authority over a specific entity. In fact, numerous avenues have been established for the public to access consumer complaint services. For example, most consumer protection agencies operate toll-free telephone hotlines; DCS has three, one of which is a designated Spanish-language hotline. Likewise, a state “411” directory is available that can be accessed through state telephone operators or via the internet at myflorida.com. Additionally, some departments have their complaint forms available online for electronic submission or printable versions for submission by mail, along with information and links to other agencies. However, the Senate Committee on Commerce and Consumer Services finds that “a consumer may reach the incorrect state agency and find himself or herself in a frustrating process of being referred among agencies” (Interim Project Report 2005-113, p. 2). Further, the report indicates that in a government system as large and complex as Florida’s, “consumers may have difficulty navigating through the maze…” (Interim Project Report 2005-113, 2004, p. 1). Specifically, the report notes that website linkages “may not be intuitive to a consumer and are not always representative of the scope of consumer assistance available from state government” (Interim Project Report 2005-113, 2004, p. 3). Navigational difficulties can be further complicated when two agencies share regulatory responsibility, such as the enforcement of price gouging regulations which are enforced by both the AG and DOACS during a declared state of emergency (OPPAGA, Report No. 06-51, 2006, p. 7).
A third area to consider is inter-agency coordination among consumer protection agencies. The size and scope of state government has prompted efforts to coordinate consumer service functions and resources among agencies. For example, although no legislative authority exists to enforce the mandate in Chapter 570, Florida Statutes (2005) requiring agencies to report dispositions on complaints received from the clearinghouse back to DCS, several agencies began participating in a Consumer Roundtable in 2003. The purpose of the Consumer Roundtable is to exchange information on agency services, with the goal of improving the referral of consumers among agencies, avoiding misdirected referrals, and exchanging information pertaining to complaint trends and conditions. However, OPPAGA reports that the Consumer Roundtable met only sporadically from its inception and that “it has not met since February 2005 due to increased agency workloads resulting from hurricanes” (Report No. 06-51, 2006, p. 6). Thus, with the disbandment of the Consumer Roundtable and the removal of legislative language directing DCS to receive reports from offices or agencies to which they refer consumer complaints, indicators effective in ensuring that government is responsive to consumers have been eliminated. Further, Report No. 06-51 (2006) maintains that with the elimination of such mechanisms, “it is difficult for agency officials and policymakers to evaluate the quality of services, identify areas in need of improvement, and make informed decisions about program resources and priorities” (p. 4).

Evidence supports that the consumer complaint clearinghouse is logically placed in DOACS, which has a mission of supporting Florida’s agricultural economy, as well as a mission to protect Florida’s consumers. In fact, of the 202,356 complaints OPPAGA reports were received by 17 state agencies in Florida in fiscal year 2004-05, DOACS received 44,496 (Report No. 06-51, 2006, p. 3); the highest number of complaints received by any agency. More
specifically, DCS indicates it processed / resolved 16,012 non-regulated complaints in accordance with their duties as the consumer complaint clearinghouse and referred 9,481 complaints to 113 government agencies and offices (DOACS, 2005, p. 92). Unfortunately, these numbers were significantly higher in fiscal year 2002-03 when DCS processed / resolved 27,651 non-regulated complaints and referred 13,751 complaints to 227 government agencies and offices (DOACS, 2003, p. 62). While the decrease in complaints may be attributable to the elimination of the consumer complaint clearinghouse in fiscal year 2003-04, it may also be an indication as OPPAGA suggests; that agencies are bypassing the clearinghouse and referring complaints directly to agencies perceived as having jurisdiction over the complaint. Increasing the likelihood that complaints may be misdirected or remain unaddressed.

Thus, with Florida’s consumer complaint functions spread across several state agencies there continues to be substantial needs to enhance existing complaint resolution processes to better serve the needs of consumers and policymakers.

Literature Review

The pertinent literature on consumer complaint resolution processes addresses four themes: the efficiency of communication channels, reviews of best practices in consumer complaint resolution processes, resource capability and capacity, and reviews of multi-organization consumer complaint resolution systems.

First, the literature weighs the efficiency of a combination top-down / bottom-up approach in communications. Two authors cited the need for a top-down commitment to consumer complaint resolution processes to signify commitment and support, increasing the likelihood of a successful consumer complaint resolution process (ISO Insider, 2002;
Queensland Ombudsman, 2005). However, they also advocate a bottom-up flow of communications from staff handling complaints, recognizing that information gathered from complaints contributes to the development of new or improved policies and processes. Likewise, Birkland (2001) and Stillman (1996) support this “two-way” communication practice in discussing the implementation of policies and policy processes. In fact, they suggest that communications must flow up to a decision-making center in an organization to provide the basis for decisions. The results must then be conveyed from the decision-making center down to “street-level” employees to influence their cooperation in executing the decisions.

In addition to advocating for a combined top-down / bottom-up approach in communications, several authors discussed the advantages of communication channels that flow internally among various levels of the organization as well as externally to consumers and other consumer protection agencies (ISO Insider, 2002; Kemp, 1991; McAlister & Erffmeyer, 2003; Queensland Ombudsman, 2005; Stillman, 1996). Most viewed documented policy and procedure manuals, provided to all complaint handling staff, as a means for maximizing performance and consistency in resolving complaints. While some further suggested that involving complaint-handling staff in the development of policy and procedure manuals may help establish a sense of ownership, leading to a broader commitment of customer service. In communicating externally with customers and other agencies, most authors advocated processes and procedures that are easily accessible and easy to understand (ISO Insider, 2002; Kemp, 1991; Queensland Ombudsman, 2005; State of Alaska Ombudsman, 1998; Stillman, 1996; Wood, 2006). In fact, they concurred that the key to effective communication is the use of language that is understandable to the recipient. Further implications were that prominently displaying and publicizing complaint-filing processes might eliminate customer confusion, elicit
cooperation from other consumer protection agencies, and provide feedback for improving customer service.

In Florida, a review of existing legislation indicated that agencies have authority to enter into formal or informal agreements with other agencies to coordinate and share resources (Florida Statutes, 2005, p. 1387). In addition, legislation was recognized as specifically authorizing communication with government agencies by providing assistance and advice as needed or when requested, as well as with consumers through the development and dissemination of educational programs and materials to keep them informed (Florida Statutes, 2005, p. 538).

Second, the literature reviews best practices in consumer complaint resolution processes. Some authors concurred that effective complaint resolution processes provide: 1) a straightforward means for consumers to file complaints; 2) a timely manner for investigating complaints; 3) a means of keeping the complainant informed throughout the entire course, 4) remedies for sustained complaints; and 5) measures for detecting system deficiencies or areas in need of improvement (ISO Insider, 2002; McAlister & Erffmeyer, 2003; Queensland Ombudsman, 2005: State of Alaska Ombudsman, 1998). Although advocating the importance of providing consumers with multiple complaint filing methods, some studies of programs with multiple complaint filing methods highlighted the need for detail and clarity in explanations and presentations to avoid consumer confusion in navigating the complaint resolution processes (O’Meara et al., 2001; Seneviratne, 2001; The Florida Senate Committee on Commerce & Consumer Services, 2004). The reviews of established complaint resolution processes further revealed that timely processing of complaints, keeping complainants informed throughout the process and supplying case remedies provided: 1) gauges for determining an agency’s
effectiveness in serving consumers, 2) opportunities for educating consumers, and 3) means of ensuring consumer protection and fair practices (Geistfeld, 1978; O’Meara & Kitchener, et al., 2005; Seneviratne, 2001; Wood, 2006).

Third, the literature examines the importance of resources with respect to capability and capacity. Some of the authors focused specifically on staff citing the need for those handling consumer complaints to have in-depth knowledge of the policies and processes and receive periodic training to establish consistency in responses to consumers thereby enhancing the quality of services provided (Kemp, 1999; Queensland Ombudsman, 2005; State of Alaska Ombudsman, 1998). Other emphasized the technological resources necessary for processing and tracking voluminous complaints (ISO Insider, 2002; Legislative Committee on Intergovernmental Relations, 2001; Kemp, 1999; Queensland Ombudsman, 2005). Specifically touted as essential technological resources were: 1) automated telephone systems capable of dispersing calls to the next available complaint analyst; 2) easy to access websites with basic complaint processes outlined including online complaint forms; and 3) records storage systems. Each were recognized as fundamental for enhancing a complaint systems ability to track complaints, analyze trends and conditions, evaluate services provided, and improve policies and processes.

Fourth, the literature discusses the benefits and concerns of a multi-organization complaint resolution system. The two most recognized benefits of a multi-organization complaint resolution system, a “one-stop” shop where all complaints are captured in a centralized location, were improved services and shared costs (Department of Defense & the Federal Trade Commission, 2006; Queensland Ombudsman, 2005; Wood, 2006). These benefits, improved services and shared costs, were also recognized as advantages for agencies
engaging in intergovernmental coordination agreements (Legislative Committee on Intergovernmental Relations, 2001). Another briefly mentioned benefit of coordinated and shared resources was the elimination of duplicative government services (Legislative Committee on Intergovernmental Relations, 2001). A fourth advantage identified in the “one-stop” shop benefited consumers, in that all complaints were filed at one location (Department of Defense & the Federal Trade Commission, 2006; Geistfeld & Choy, 1978, Kjellerup, 1998). This advantage was recognized for eliminating the consumer’s need to determine with which agency to file a complaint.

The most noted concerns were lack of sufficient resources and loss of autonomy and control (Dew & Roorda, 2001; Legislative Committee on Intergovernmental Relations, 2001; Queensland Ombudsman, 2005; State of Alaska Ombudsman, 1998; Wood, 2006). In discussing loss of autonomy, two authors specifically mentioned tension, resulting from standardization that can occur between government agencies, policymakers and consumers (Dew & Roorda, 2001).

In summary, the literature finds numerous reasons to examine and pursue alternatives for improving consumer complaint resolution processes. Although, it does not provide detailed evaluations or cost comparisons for alternatives to improve such processes. However, having examined the literature this study can contribute to the growing literature on consumer complaint resolution processes, their rationale, intended outcomes, design, data problems, and effectiveness.
III. METHODOLOGY & EVALUATION CRITERIA

Methodology

Information for this report was collected using the following methods:

- Analysis of reports on consumer complaint resolution processes, reports on best management practices for designing and implementing consumer complaint resolution processes and academic literature,

- review of applicable laws, rules, and policies, and

- interviews (n=12) with staff from DOACS, DFS, AG, PSC and OPPAGA.

The following databases were utilized to identify studies and reports of consumer complaint resolution processes and academic literature for this report: LexisNexis Academic (2000-2006), Science Citation Index Expanded (1900 - 2006), Social Sciences Citation Index (1956 - 2006), Arts and Humanities Citation Index (1975- 2006). Additional searches for pertinent literature were conducted through visits to federal and state governmental websites and through the internet search engines Google and Yahoo.

Academic literature provided insight into policy development and implementation. Additionally, academic literature provided information on networking and communication processes and insight regarding barriers to those processes. Studies and reports of consumer complaint resolution processes and best management practices for designing and implementing such processes provided insight into technical and procedural elements essential for developing, maintaining, and improving consumer complaint resolution services. Additionally, reviews of applicable laws, rules and policies provided historical information on consumer complaint resolution processes and efforts toward inter-agency coordination.
Interviews seeking expert interpretations of Florida’s consumer complaint resolution processes and evaluations of recommended alternatives were obtained from key actors involved in Florida’s consumer protection services. Unstructured interviews were conducted in a general interview guide approach. The approach used was intended to ensure that the same principal areas of information were collected from each individual interviewed, while allowing the researcher a degree of freedom and adaptability in getting information from the subject. Those interviewed held titles of Director, Bureau Chief, Program Administrator, and Data Processing Manager; the researcher personally knew six individuals interviewed. Staff from AG, DFS, DOACS, and PSC was asked open-ended questions pertaining to: 1) the complaint resolution processes employed by their agency, including capability and capacity to document, track, compile, and analyze complaints, 2) past or current participation in inter-agency cooperation agreements, and 3) to evaluate recommended alternatives for improving Florida’s complaint resolution processes. OPPAGA staff was asked open-ended questions relative to: 1) audits and evaluations of Florida’s complaint resolution processes and 2) to evaluate recommended alternatives for improving Florida’s complaint resolution processes. The interviews lasted between 45–60 minutes and provided an understanding of current complaint resolution processes. Additionally, the interviews provided insight into potential impediments to the recommended alternatives.

Evaluative Criteria

Three criteria were used to evaluate the proposed policy options: functionality, adaptability and effectiveness. Each is consider highly important although adaptability is of greater importance. Scores for each alternative will be reflected as 1) disadvantage (-), 2) no
improvement (0), or 3) advantage (+), and will be based on the analyst’s assessment of the extent
to which the option meets the criteria.

- Functionality gauges the capability of the alternative to enhance current complaint
  resolution processes (receiving / referring / tracking). The data sources for
  functionality will be studies, reports on consumer complaint resolution processes, and
  interviews.

- Adaptability gauges the ability of state agencies to implement an alternative in terms
  of current laws and regulations, available staff, organizational structure, and political
  and financial ease. The data source for adaptability will be interviews.

- Effectiveness rates the likelihood that an alternative will achieve desired results: (a)
  increases coordination of consumer service activities between state agencies, (b)
  enhances complaint referral processes, and (c) facilitates the exchange of information
  necessary to develop statewide data from which areas in need of improvement and
  trends and conditions of complaints can be determined enabling policymakers to
  develop sound policy decisions. The data source will be reports on consumer
  complaint resolution processes and interviews.

These criteria were selected as representative of the considerations made in the evaluation of
alternatives to current complaint resolution processes. Other criteria such as administrative
costs, cost savings, and efficiency, while important, could not be evaluated, as scientific data
relative to complaint resolution services are unavailable.

Two limitations of this study are: 1) the lack of cost analysis studies by each agency in
Florida that handle consumer complaints, and 2) lack of financial data to permit cost
comparisons between single agency and multi-agency consumer complaint resolution programs.
Lacking such data, privatization of complaint resolution services, a related subject, was
considered to be outside the scope of this report, because private companies are profit-oriented,
and some of the indicators tracked in the private sector cannot be directly applied to government
operations. Similarly, consolidation of consumer protection agencies was deemed beyond the
span of this report as Florida’s current processes are decentralized such that each agency,
department, division, bureau, and office is specialized and trained in fixed and official
jurisdictional areas. Moreover, agency heads and managers within governmental organizations have relationships with key legislators, bureaucrats, and interest groups. Hence, attempts to orchestrate major change that requires substantial legislative action is often resisted. Despite these constraints, essential criteria were used and it is believed that similar recommendations would be offered by any study using the methodology employed in this section.
IV. MANAGEMENT POLICY OPTIONS

Section IV explains four of the most promising alternatives to strengthening consumer complaint resolution processes in Florida: memorandum of understanding (MOU); a centralized database; codification of the Consumer Complaint Roundtable; and marketing the consumer complaint clearinghouse. Alternatives are evaluated using the three previously detailed criteria: functionality, adaptability and effectiveness. The management policy options are not exhaustive in that privatization of consumer resolution processes and consolidation of consumer protection agencies will not be addressed. Both are viewed as major changes, requiring legislative approval and would likely encounter political opposition. However, the options discussed are designed to guide policymakers toward the most feasible policy capable of strengthening Florida’s consumer complaint resolution processes.

Option One: Memorandum of Understanding

MOUs are interagency coordination agreements that define the roles and responsibilities of each agency in relation to each other with respect to an issue over which there is concurrent jurisdiction. As such, they are designed to assure cooperation and coordination in providing services to citizens. This alternative would require DCS, as the consumer complaint clearinghouse, to establish an MOU with each consumer protection agency. Individualizing MOUs would ensure agencies that collect confidential information the ability to maintain the integrity of such data. Specifically, the MOU would detail the procedures regarding the transfer or referral of complaints to and from the consumer complaint clearinghouse. Moreover, in
negotiating the agreements, measures could be incorporated enabling DCS to receive final dispositions or outcomes on complaints sent to other agencies by the clearinghouse.

1. **Functionality:** There are five variations of agreements that can be used in intergovernmental coordination efforts (Legislative Committee on Intergovernmental Relations, 2001, p. 17-18). They range from informal, “paperless” arrangements requiring a “handshake” commitment, to very formal pacts. Participation in such unions has historically been spurred by reductions or changes in the types and amounts of federal aid to local government. However, the use of MOUs, a somewhat formal agreement, is becoming more accepted as a tool for improving the management of government services.

Studies show that intergovernmental coordination agreements can be used to address specific issues and that such interactions tend to eliminate duplicative government services (Legislative Committee on Intergovernmental Relations, 2001, pp. 17, 19). In fact, the Legislative Committee on Intergovernmental Relations (2001) indicates that several forms of coordinated activities among the various levels of government have been implemented in Florida and are successfully operating on the following issues: information exchanges, group health insurance, planning, service delivery, public works, communications, facilities sharing, and regional practices (pp. 51-60).

Interviews reveal that two agencies involved in providing consumer protection services have already established an MOU. LuAnn Stiles, DOACS Bureau Chief of Mediation and Enforcement (personal communication, September 20, 2006) and Alan Moudy, AG Director of Citizen Services (personal communication, September 21, 2006), both mentioned the price gouging MOU established between the AG and DOACS. Investigations of price gouging complaints are a service provided by both offices during declared states of emergency. The
MOU ensures that both agencies do not investigate and take similar actions against the same companies upon receipt of a price gouging complaint (L. Stiles, personal communication, September 20, 2006).

Unfortunately, while all of the managers interviewed indicate that their agencies would not have a problem participating in an MOU, none believes it would eliminate the referral of complaints to the “wrong” agency, or that it would reduce duplicate filing (consumers filing a complaint with more than one agency). In fact, Bureau Chief Stiles advised that sometimes a complaint may involve two distinct issues requiring action from two separate agencies (personal communication, September 20, 2006). She specifically referenced one complaint that involved both a mobile home, which falls under the jurisdiction of DBPR, and moving, which is overseen by DOACS.

Moreover, although most interviewees suggest this option may offer increased complaint tracking capabilities by negotiating with agencies to report dispositions on complaints received from the clearinghouse to DCS, Kara Collins-Gomez, OPPAGA Staff Director of Government Operations believes that this inclusion is merely reinventing language that was deleted from statute during the 2006 Legislative Session (personal communication, October 10, 2006). Nonetheless, since agency managers seem agreeable to participating in an MOU, this option could have a positive impact on strengthening complaint resolution processes and is rated positive on the summary matrix.

2. Adaptability: Intergovernmental Coordination Agreements provide a venue through which governmental entities can coordinate services provided to citizens. The MOU was specifically selected because it is somewhat formal, although not legally binding upon the participants.
The most noted benefits of an MOU, as expressed by all managers interviewed, are that no additional staff is required and from their perspective, there is virtually no cost to execute such agreements. However, the downside as noted by these same managers is that some agencies collected information that by law is considered confidential and would need to remain exempt from disclosure, particularly since all DCS files are public records and subject to disclosure.

Moreover, as pointed out by Director Moudy (personal communication, September 21, 2006) and Staff Director Gomez (personal communication, October 10, 2006), MOUs are susceptible to political changes, in that newly elected agency heads typically have their own priorities, which may supersede pre-existing MOUs. Additionally, Michael Savage, DOACS Data Processing Manager, revealed that DCS may in fact incur increased financial costs associated with converting data received from other agencies into a format that can be integrated with the Department’s database (personal communication, September 22, 2006). Thus, although the MOU can be established within state laws, it is rated as negative as it could be politically difficult to implement and result in increased costs for DCS.

3. **Effectiveness:** MOUs have the potential to dictate a more accurate referral process of complaints to the consumer complaint clearinghouse and establish detailed data on complaints received and routed through the clearinghouse. Studies of best management practices in intergovernmental coordination agreements reveal that the duties and responsibilities must be well defined and the purpose of the agreement should be clear (Legislative Committee on Intergovernmental Relations, 2001, p. 46). Likewise, the data collection methodology needs to be outlined with participants completely in agreement (Legislative Committee on Intergovernmental Relations, 2001, p. 46). Finally, if the pact can be easily modified to adapt to
changing conditions, there is a greater likelihood for successful implementation (Legislative Committee on Intergovernmental Relations, 2001, p. 46).

MOUs, however, are voluntary acts by agencies to coordinate service activities. As such, the Legislative Committee on Intergovernmental Relations (2001) reports that “no overarching state policy exists to reward governmental entities who coordinate well and/or penalize those who do not” (p. 4). Additionally, OPPAGA Report No. 06-51 (2006) indicates, and interviews conducted with key actors confirm, that although mandates on complaint referral processes exist in statutes, agencies do not always follow the rule and refer complaints falling outside their agency jurisdiction to the DCS consumer complaint clearinghouse (p. 6). Moreover, as pointed out during an interview with Staff Director Gomez, the length of time allotted to agencies to clear complaints varies according to statutory requirements (personal communication, October 10, 2006). Hence, dispositions on complaints referred to other agencies from the consumer complaint clearinghouse may not be received by DCS during the same fiscal year in which they are referred, adversely affecting the compilation of statewide data on complaints processed through the clearinghouse. Therefore, although MOUs have been used successfully in other governmental programs, it is rated as neutral for effectiveness, indicating no change in current processes. This rating is appropriate because current consumer protection statutes, which include time allotments to resolve complaints, vary from agency to agency and could affect the ability of policymakers to compile accurate statewide data. In addition, state agencies do not follow current statutory mandates for referring complaints leaving reasonable doubt they would abide by an MOU.

In summary, the MOU option has the potential to strengthen coordination of consumer protection services among government agencies by facilitating the exchange of information,
which may improve the compilation of data useful for analyzing trends and conditions, and
determining areas in need of improvement. However, the use of this tool is not legally binding
upon the participants, and implementation is highly susceptible to the “changing of the guard” in
government organizations.

**Option Two: Centralized Database**

OPPAGA *Report No. 06-51* (2006) identified the AG, DPBR, DFS, DOACS, and the
PSC as the top agencies receiving the most consumer complaints in Florida (p. 2). Further, they
indicate, and interviews confirm, that each agency has developed a database specifically
designed to capture data necessary for resolving complaints and recording information pertinent
to developing trends and conditions and determining areas in need of improvement. This
alternative would establish a statewide system linking all agencies involved in consumer
protection services. Complaints received by agencies not having regulatory authority to resolve
them could enter the complaint directly into the system and notification of the entry could be sent
via e-mail to the consumer complaint clearinghouse. DCS would then be responsible for
determining which agency to refer the complaint to for handling. With each department utilizing
this database, staff would be able to determine if a received complaint has been previously
submitted prior to inserting it as a new record. Further, statewide data on both regulated and
non-regulated complaints could be retrieved in a single report from one location.

1. **Functionality:** Comprehensive data compilation is recognized as a necessary tool for
providing organizations with the ability to collect, analyze and report such information to
policymakers(OPPAGA, 2006, p. 4; Queensland Ombudsman, 2005). While agencies currently
compile detailed data on complaints and dispositions involving the entities they regulate, comprehensive, statewide information is not available.

Studies of consumer complaint programs where all complaints are received at one intake location show that “routing complaints to agencies which had the authority to process them reduced the consumers’ need to ferret out information for themselves” (Geistfeld & Choy, 1978, p. 122). Conceivably then, with each agency inputting complaint data into a shared database system and notifying DCS in instances where such entries are not within their department’s purview, consumers would not need to determine the “right” agency in which to file a complaint.

Reports of best practices in complaint handling also advocate comprehensive data collection in one location as it improves the government’s ability to keep the complainant informed about progress on a complaint (State of Alaska Ombudsman, 1998). This aspect would be practical in Florida since most agencies have toll-free numbers for consumer to call. Thus, consumers who have filed complaints could contact any agency, regardless of whether it is the “right” agency and receive status information about their complaint.

Although interviews affirm that a centralized system has the capability to enhance current resolution processes, two managers (L. Stiles, personal communication, September 20, 2006; A. Moudy, personal communication, September 21, 2006) mentioned a previous, unsuccessful attempt by former Comptroller Bob Milligan and the Florida Department of Law Enforcement to create a centralized database for the Strikeforce Against Fraudulent Enterprises (SAFE). This project, according to The Florida Senate Committee on Commerce and Consumer Services (2004), was conceived in 1999 in response to difficulties policymakers were experiencing in obtaining data to assess the extent of fraudulent activities in Florida (p. 2). While the Governor and Cabinet members openly expressed support for the program, Director Moudy believes the
system was poorly designed and that organizers did not obtain “buy in” from all agencies (personal communication, September 21, 2006). Consequently, Bureau Chief Stiles (personal communication, September 20, 2006) and Director Moudy (personal communication, September 21, 2006) both predict that a similar attempt to centralize the consumer complaint database will not succeed. Nevertheless, this option is rated as positive on the summary matrix because it has the ability to strengthen current complaint resolution processes.

2. Adaptability: Implementation of a centralized database requires one location where the system can be monitored and properly maintained on a regular basis. Such a location would also be the site responsible for producing reports necessary for analyzing complaints to establish trends and conditions and determining areas in need of improvement.

Interviews with managers for the AG and DOACS, as well as the OPPAGA interview, indicate that while there are no laws preventing implementation of this option, the selection of a site to house the system will likely be controversial. Staff Director Gomez (personal communication, October 10, 2006) and Bureau Chief Stiles (personal communication, September 20, 2006) both agree that the former State Technology Office (STO) would have been an ideal location to house the database system. However, the STO has been dispersed and the remaining portion now operates with minimal staff under the auspices of the Department of Management Services (DMS). As such, it may not be capable of undertaking the responsibilities associated with this option. Thus, with the capabilities and capacity of the STO in question, Staff Director Gomez believes DOACS is the next logical site choice. However, Bureau Chief Stiles perceives that placement of the system in DOACS would set the department in an adversarial role; a similar viewpoint was mentioned by Director Moudy (personal communication, September 21, 2006).
Of equal concern to managers was the cost associated with the creation of a centralized system. While no cost data was available for comparison purposes, Data Processing Manager Savage stated that DOACS has invested over one million in their current complaint tracking system (personal communication, 22, 2006). Additionally, Staff Director Gomez revealed that DBPR recently spent $65 million on a database that links all consumer protection bureaus within their agency into one system (personal communication, October 10, 2006). Hence, with no two agencies utilizing the same database, there was agreement among key actors interviewed that this alternative would require additional funding to increase both technological resources and work force. With high financial costs likely and the potential for a political skirmish over selecting a site location for the database, this criterion is rated as having a negative impact on this option.

3. Effectiveness: A centralized database would enable any agency to enter a complaint into the tracking system, eliminating the need to transfer a complaint to DCS. It would also allow staff from any office to provide consumers with updates or progress reports on complaints that have been filed. Additionally, the system would offer policymakers the ability to retrieve statewide data on complaint trends and conditions from one location.

Reports on consumer resolution processes indicate that without a system capable of gathering, analyzing, and reporting information on consumer complaints, it is not possible to improve performance (Kemp, 1999, p. 18; Wood, 2006). It was also noted that having the data in one location provides a greater potential for seeing statewide trends and conditions (Wood, 2006).

Despite the potential for benefits such as maximizing the collection and reporting of valuable information for use by policymakers, the majority of government organizations still prefer to develop their own complaint tracking systems (Kemp, 1999, p. 18). Moreover, Linda
Ruggless, DFS Insurance Administrator, stated that a centralized database would “cause DFS to lose some of the detail currently tracked by their agency’s database as some of the information captured is confidential and therefore could not be maintained in a centralized system” (personal communication, September 22, 2006). Todd McCullough, DOACS Regulatory Program Administrator, voiced similar concerns (personal communication, September 18, 2006). Specifically, he indicated that the specialized rules and regulations developed by other agencies in conjunction with statutory mandates may make implementation of a centralized system impossible to achieve. Even so, this criterion is rated as having a positive impact on current processes because it will enhance complaint referral processes and facilitate the exchange of information necessary to compile statewide data in a single location.

In summary, a centralized database would establish a technological link between consumer protection agencies. As such, a consumer would not need to determine which agency to contact for assistance in resolving a complaint. Further, with all complaints maintained in a single location, policymakers would have access to statewide data to establish trends and conditions and determine areas in need of improvement. However, the cost of such an undertaking is not known and concerns remain about whether this alternative will enable agencies to continue compiling specialized data, some of which is confidential in nature and therefore not subject to public disclosure.

**Option Three: Codification of the Consumer Complaint Roundtable**

This alternative to strengthen current processes is not new. In fact, according to OPPAGA Report No. 06-51(2006), a Consumer Complaint Roundtable was established in 2002 (p. 6). It provides a venue for the exchange of information among state agencies on complaints
received and services provided. Additionally, through established contacts with other agencies, participants are better able to coordinate the referral of complaints between offices. However, participation in the Consumer Complaint Roundtable is currently voluntary and agencies have not met since February 2005 (OPPAGA, 2006, p. 6). Through codification, agencies would be required to designate a representative knowledgeable of the agency’s consumer service activities to the panel. As a result, this alternative is expected to strengthen the exchange of consumer service information between agencies and enhance current complaint resolution processes.

1. Functionality: Codification of the Consumer Complaint Roundtable is similar in concept to a “paperless” intergovernmental coordination agreement. Under this option, designated agency representatives would attend regularly scheduled meetings to exchange general information, identify and share best practices for improving service activities, and discuss and develop opportunities to coordinate consumer assistance programs. However, participation by each agency would be mandated by statute.

Studies of best practices in consumer resolution processes indicate that large, multi-site, consumer-focused operations are able to demonstrate continuous improvement through analyzing root causes of complaints and working collectively to fix deficiencies. In fact, the Queensland Ombudsman (2005) mentions that consultation among consumer service providers about complaint management processes will “help identify imaginative ways of using resources to better serve consumers” (Business Improvement section, p. 1).

Interviews reveal that key managers believe this alternative has the potential to increase communications among state agencies, and by doing so, may improve the referral process of complaints between agencies. In fact, Dan Hoppe, PSC Director of Regulatory Compliance and Consumer Assistance, said that it was through one such meeting of the Consumer Complaint
Roundtable that his staff learned about an increased volume in complaints regarding “slamming,” an illegal practice of changing a consumer’s telephone service without permission (personal communication, October 11, 2006). Further, he stated that as direct result of agency representatives raising “slamming” at this meeting, his staff recognized that the issue fell under the purview of the PSC, and were able to provide participants with a place to refer the complaints, and the name of a contact person. Because this option has previously demonstrated its abilities to enhance consumer complaint resolution processes, this criterion is rated positive on the summary matrix.

2. **Adaptability:** The participation of agencies in the informal Consumer Complaint Roundtable signifies this alternative can be incorporated into statutes without disrupting a department’s organizational structure or increasing an agency’s workload. It also indicates that such implementation will not violate any current laws, rules or regulations. Interviews with managers confirm there are no barriers to attending and participating in meetings of the Roundtable. In fact, all of the managers contacted reported that staff from their agencies had participated in previous meetings.

However, of significant importance is the Government Accountability Project / Sunset Review Report mentioned by Staff Director Gomez that is being conducted by the Legislature (personal communication, October 10, 2006). That report, according to Joseph Martelli, DOACS Inspector General, is an agency-by-agency audit enabling the legislature to look at statutory objectives, overlap and duplication of services, alternative service delivery methods, changes to improve operations, and numerous other aspects of each department (personal communication, November 16, 2006). Currently, the Legislature is looking at five agencies (one of which is DOACS) although it will eventually incorporate all 29 agencies into the report.
Therefore, because this option involves a statutory amendment that could encounter legislative hurdles or incur political challenges, it is rated as negative on the summary matrix.

3. Effectiveness: Many agencies have statutory mandates requiring the formation of committees and councils, whose members are required to attend a specified number of meetings annually. The purposes of the panels vary from agency to agency, but most are utilized to review existing rules and regulations, proposing changes as necessary, and develop proposals for improving services. Essentially, some of the groups become a sounding board through which agencies can determine how effective programs are, identify areas in need of improvements, and to some extent establish how well proposed changes will be received.

Studies and reports on the informal Consumer Complaint Roundtable suggest that it served an educational purpose (OPPAGA, 2006, p. 6; The Florida Senate Committee on Commerce & Consumer Services, 2004, p. 4). Specifically, DOACS worked, and continues to do so, with other state agencies to update and ensure the accuracy of the “A to Z Resource Guide,” a website listing of available government services, agencies providing the services, and telephone contact information (The Florida Senate Committee on Commerce & Consumer Services, 2004, p. 7). A link to this guide is provided on each agency’s website that participated. Studies of best practices also indicate that ideas and proposals generated by groups responsible for handling consumer complaints that are provided to policymakers may provide the basis for new decisions or changes affecting complaint resolution processes.

Interviews with key managers show mixed opinions for this option. While all agree that the informal version was beneficial for developing contacts with counterparts at other agencies and for educating staff with respect to the regulatory jurisdiction of other offices, there is disagreement over whether it should be formalized. Of specific concern to Bureau Chief Stiles is
whether the mandate to appoint an agency representative will achieve the same level of
communication and cooperation realized during the informal meetings when participants were
front-line staff that worked the complaints and could instantly recognize developing trends
(personal communication, September 20, 2006).

Another important aspect mentioned by Staff Director Gomez is that consumer protection
statutes generally have “no teeth,” in that no penalties are assessed when agencies do not comply
with mandates (personal communication, October 10, 2006). As an example, she referenced the
June 2006 OPPAGA report in which her staff reported that consumer protection agencies do not
always refer complaints that fall outside their regulatory authority to the consumer complaint
clearinghouse as mandated in current statute. Hence, with the likelihood that agencies will
appoint high-level department representatives to the Roundtable and because statutory mandates
through codification of this option will likely be unenforceable, this criterion is rated as neutral,
having neither a positive or negative impact on existing complaint resolution processes.

In summary, codification of the Consumer Complaint Roundtable can be established
through modification to Florida Statute, Chapter 570, without interfering with an organization’s
structure or requiring additional staff. Additionally, this option is viewed as having the potential
to increase the exchange of information among agencies and improve complaint referral
processes. However, statutory changes to Chapter 570 could encounter legislative hurdles, and
without the ability to enforce such mandates there are no assurances that agencies will participate
in the Consumer Complaint Roundtable.
Option Four: Marketing the Consumer Complaint Clearinghouse

Most consumer protection agencies in Florida publish toll-free telephone numbers, maintain websites that detail services provided, furnish printed brochures upon request, and supply agency representatives to speak at consumer-attended events when asked. Unfortunately, current marketing and outreach activities pertain specifically to activities and entities that are regulated by a particular agency. This alternative would use public service announcements (PSAs) to publicize the consumer complaint clearinghouse, particularly highlighting its ability to process and resolve complaints not regulated by other agencies. It would also emphasize the agency’s capacity to automatically transfer complaints to the appropriate office when they are regulated by other departments. Additionally, this option would utilize DOACS staff from the recently re-organized DCS Consumer Relations and Outreach Unit as a means for communicating with other agencies that provide consumer protection services and for contacting private organizations to increase community outreach activities.

1. Functionality: The Queensland Ombudsman (2005) indicates that visibility is an important aspect in all consumer complaint resolution processes (Visibility and Access section, p. 1). Hence, communicating available consumer protection services through PSAs and outreach activities is practical for educating consumers and staff members of other agencies. Studies show that marketing through outreach and education provides avenues capable of connecting with consumers, other government agencies, and regulated professionals and entities. In fact, one study by O’Meara et al. (2005), indicates announcing the launch of a consumer-oriented nursing home website successfully reached all such stakeholders. Specifically, press releases brought regulated entities to the table, as they wanted to ensure information available on the website was accurate (O’Meara et al., 2005, p.46). State officials participated by
contributing statistical data necessary to support website assertions; as a result of entities appealing the accuracy of some of that information, state officials, website system developers and nursing home entities worked together to improve reporting processes (O’Meara et al., 2005, p. 46). Meanwhile, analysis of website’s usage indicates dissemination of information was successful and wide in that “more than 232,000 hits were made on the site during the first year, with 38,000 visits in the first month and an average of 19,000 per month thereafter” (O’Meara et al., 2005, p. 44).

Interviews show that managers feel this option has the potential to reach and educate many consumers, such that they may then be able to determine for themselves where to turn for assistance. Some also believe that efforts by DCS education coordinators to train staff at other state agencies might improve complaint referral processes. Additionally, many suggest that outreach efforts to other state agencies should include re-establishment of the Consumer Complaint Roundtable since it has been beneficial in enhancing consumer resolution processes in the past. However, Tom Rush, DOACS Bureau Chief of Consumer Assistance, notes that while publicizing the consumer complaint clearinghouse may increase the number of complaints received at DCS, such an increase is not an indication that consumers have successfully determined “where” to file their complaints (personal communication, September 18, 2006). Moreover, as mentioned by Director Moudy, without participation by all consumer protection agencies, enhancement of Florida’s processes through inter-agency exchange of complaint information will be minimal (personal communication, September 21, 2006). Nevertheless, this criterion has the ability to strengthen complaint referral processes while directly educating consumers. Thus, it is rated as having a positive impact for this alternative on the summary matrix.
2. **Adaptability**: Statutory authority for DCS to provide assistance, advice and educational training on consumer related issues to government officials (local, state or federal) and the public is provided in *Chapter 570* (Florida Statutes, 2006, p. 458). In fact, *State Statute 570.544(2)(g)* (2006) states that the outreach activities may be performed “…in order to increase the competence of consumers” (p. 458). The specific use of PSAs is viewed as a cost-effective method of reaching many in a target audience because stations donate the time and determine when such advertisements will air. Likewise, increasing communication activities by contacting other state agencies and consumer-oriented groups appears to be a relatively inexpensive measure that may enhance the public’s access to consumer protection resources.

Interviews with key actors reveal that some agencies do not receive funding for outreach and education activities. However, conversations with DOACS personnel show that there are no statutory restraints on the department with respect to marketing consumer protection services. In fact, DOACS has a Division of Marketing that facilitates the production of all departmental PSAs. As a result, Gwen Worlds, DOACS Bureau Chief of Consumer Relations and Outreach, disclosed that DCS was able to generate three educational advertisements during fiscal year 2005-06 at a cost of $21,010 (personal communication, October 31, 2006). One of the PSAs dealt with price gouging, and is typically aired prior to a hurricane’s landfall; the other two provided information on regulated services provided by DCS. Statistics provided by Bureau Chief Worlds indicate that the two PSAs detailing services regulated by DCS were distributed to more than 250 cable systems in Florida, and aired 14,763 times on more than 55 channels (personal communication, October 31, 2006). Such publicity according to Bureau Chief Worlds had the potential of reaching more than five million households.
With respect to contacting other consumer-oriented groups, Bureau Chief Worlds stated that in fiscal year 2005-06 DCS managers reported that keynote speakers had been requested for consumer-oriented events that were attended by 7,635 consumers. However, information on the number of consumer-related groups that contacted DCS for speakers and the actual travel costs incurred by speakers was not available. Even so, DOACS has statutory authority to market available consumer protection services with considerable financial ease. Therefore, this criterion is rated as positive on the summary matrix.

3. Effectiveness: Publicity campaigns relating to government services have traditionally focused attention on problems and areas in need of improvement, causing the agency in focus to appear in a bad light. However, this alternative uses marketing tools, such as PSAs, training to other state agencies, and community outreach, in a proactive manner thereby increasing opportunities to connect with consumers, other government offices, and stakeholders that provide goods and services to the public.

Studies of best practices in complaint resolution processes indicate that appropriate promotional methods may include displaying literature at customer service contact points, advertising hotlines or toll-free telephone numbers, and providing links to other consumer protection offices on an agency’s website. While publicity does not ensure an exchange of information between all agencies, interviews show that past use of the Consumer Complaint Roundtable did strengthen inter-agency cooperation, which lead to an improvement in agency referral processes.

Additionally, this option does appear capable of raising consumer awareness. In fact, one study by O’Meara et al. (2005) shows that outreach efforts to publicize the launch of a consumer-oriented nursing home website, appeared in 16 California newspapers (p. 44). It
further suggests that as a result of the media and community outreach, “a total of approximately 1275 requests were received for 49,601 brochures, 1368 policy reports, and 48 press kits,” in addition to the distribution of “more than 850,000 copies of a Spanish-language nursing home supplement” (O’Meara et al., 2005, p. 44). Moreover, in bolstering support for continuing outreach and education, O’Meara et al. (2005) purport that “outreach activities continued throughout the year have increased website visits by approximately 41 percent” (p. 44).

Interviews reveal that managers are optimistic about the benefits of publicity. Most agree that media advertisements are capable of reaching and educating a large number of consumers. As such, the use of PSAs and printed materials could lead to a higher number of complaints being filed with the consumer complaint clearinghouse, and as consumers increase their use of the clearinghouse, complaints filed with the “wrong” agency may decrease. Managers also affirm that outreach efforts by DCS staff to other agencies and consumer-oriented groups may provide educational training necessary for improving complaint referral processes among agencies. Regrettably, Insurance Administrator Ruggless (personal communication, September 22, 2006) and Director Moudy (personal communication, September 21, 2006) indicated that even with increased marketing to government officials and consumers, there will always be instances in which complaints are directed to the “wrong” agency. Nevertheless, this option has the ability to increase coordination activities between consumer service agencies, facilitate the exchange of complaint information, and enhance referral processes. Thus, it is rated as positive on the summary matrix.

In summary, marketing the consumer complaint clearinghouse has the potential to reach many people. Direct communications to the public using PSAs would provide consumers with one toll-free number to call regardless of the complaint subject area. Essentially, consumers
would no longer have to determine which agency to contact. Meanwhile, outreach to other agencies can lead to an increase in the coordination of consumer protection activities, enhance complaint referral processes, and improve efforts to exchange information between state agencies. Unfortunately, policymakers would have to continue to rely on data compiled by each agency’s complaint tracking system to determine areas in need of improvement.
V. CONCLUSIONS

The report presented four policy options to strengthen current consumer complaint resolution processes in Florida. Each policy was evaluated based on functionality, adaptability, and effectiveness. Table 1 below summarizes the results.

Table 1 - Summary of Alternatives and Evaluative Criteria

<table>
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<tr>
<th>Policy Options</th>
<th>Evaluative Criteria</th>
<th>Recommendations</th>
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<tr>
<td></td>
<td>Functionality</td>
<td>Adaptability</td>
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<tr>
<td>Memorandum of Understanding</td>
<td>+</td>
<td>-</td>
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<tr>
<td>Centralized Database</td>
<td>+</td>
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<tr>
<td>Codification of Consumer Complaint Roundtable</td>
<td>+</td>
<td>-</td>
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<tr>
<td>Marketing the Consumer Complaint Clearinghouse</td>
<td>+</td>
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Rating Scale
- = Disadvantage
0 = No improvement (same as existing system)
+ = Advantage

All of the alternatives would provide some measure of enhancement to current consumer resolution processes. In fact, all four of the management policy options discuss the fact that each alternative has been successfully utilized in a governmental program area, signifying that implementation in consumer service activities should be beneficial in coordinating the delivery of protection services to consumers. However, because three of the alternatives could face legislative hurdles or political challenges that would weaken their ability to have a positive impact on strengthening current consumer complaint resolution processes, Florida’s consumer
protection agencies should concentrate, in the short-term, on the policy option that appears most promising for enhancing processes already in place.

The MOU policy option, if negotiated effectively between DCS and each consumer service agency, can enhance communication channels between departments. In turn, complaint referral processes could improve and statewide data on complaints processed through the consumer complaint clearinghouse could be compiled to establish trends and conditions and determine areas in need of improvement. However, use of this option is not legally binding upon the participants and more importantly, MOUs are politically susceptible to “the changing of the guard” when elected officials leave office.

The centralized database alternative strengthens current consumer resolution processes by linking all agencies into one system. As a result, consumers would not have to determine where to go for assistance, and statewide data on both regulated and non-regulated complaints could be compiled in one location. Although this alternative’s scores indicate it will have a positive affect on current processes, it is considered weak as the costs to implement the system could not be established.

The third policy option, codification of the Consumer Complaint Roundtable, has the ability to enhance inter-agency communication. In fact, managers representing agencies contacted for this research project profess that complaint referral processes were improved when this panel met on a voluntary basis, even providing testimonials to support how effective the meetings were in educating attendees. However, this alternative would require a statutory change that would likely not be enforceable, rendering it inadequate.

The final policy alternative to market the consumer complaint clearinghouse can be used to place consumer service information directly into the hands of the consumer at a reasonable
cost to DOACS. Further, efforts to contact and proved assistance to other state agencies and private organizations could improve service coordination efforts, enhance complaint referral processes, and increase the exchange of information particularly among state agencies.

Although each of the four policy options demonstrate an ability to enhance current consumer complaint resolution processes, only marketing the consumer complaint clearinghouse shows a positive rating for functionality, adaptability, and effectiveness. Therefore, marketing the consumer complaint clearinghouse is being recommended. While realization of the benefits from this option may not be immediately recognized, outreach activities by DCS staff could improve communication and coordination of service activities among agencies. Further public information campaigns aimed at educating consumers may increase awareness of available services, and by publicizing the toll-free telephone number of the consumer complaint clearinghouse eliminate consumer confusion on where to go for assistance. Ultimately, this option is most promising as it can be accomplished within existing statutes and is not completely reliant upon the participation of other state agencies.
REFERENCES


ABOUT THE AUTHOR

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